

# THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

United States Department of the Treasury



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## **New \$1.2 Million Initiative to Benefit Native Communities**

Washington, D.C. – Today, a new \$1.2 million initiative to increase access to financial education and asset building in Native American, Alaskan Native and Native Hawaiian communities across the country was announced by Arthur A. Garcia, Director of the Treasury Department's Community Development Financial Institutions (CDFI) Fund.

The "Building Native Assets: Native IDA Initiative" is an outgrowth of the CDFI Fund's congressionally mandated "Report on the Native American Lending Study" which was published in November 2001. The report found that the number one barrier to capital access in Native communities is tribal members' lack of knowledge or experience with the traditional financial world. The report recommended expanding culturally appropriate financial education and asset development strategies in Native communities nationwide.

To meet this need, the CDFI Fund is investing \$1.2 million over three years to increase access to financial services, financial education and asset building opportunities in Native communities. After a competitive bidding process, in November 2004, the Fund awarded the contract to develop and implement this new national initiative to CFED, a 25 year-old national non-profit that works to expand economic opportunity.

CFED will design and implement the project in partnership with First Nations Development Institute (FNDI) and First Nations Oweesta Corporation (Oweesta). The development and execution of the project will also include Native Nations Institute, the Asset Alliance and a cadre of training and technical assistance providers. Together, these partners have extensive experience in promoting asset building and financial education in Native communities.

The partners will develop culturally relevant training and resource materials, offer a state of the art training institute and provide customized technical assistance to Native community development financial institutions (CDFIs) and other Native organizations on how to implement and sustain Individual Development Account (IDA) Programs. IDAs are an innovative strategy to help lower-income people access financial education and capital, save, and build assets. IDAs are matched savings accounts used for investment in high return assets such as homeownership, post-secondary education or business capitalization.

Recently, the project team completed a needs assessment of Native communities and the existing organizations that serve them with regards to asset building and financial education.

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Currently, the partners are developing a Native-based training curriculum. The curriculum will debut at a “train the trainer” session in August. The curriculum will then be the basis of 8 regional trainings over three years for Native CDFIs and other Native organizations. Regional trainings will begin in the fall of 2005.

“The Fund is excited to be joining forces with CFED, FNDI and Oweesta,” said CDFI Fund Director Garcia. “These organizations have solid track records of pioneering research, policy, and field development work to promote access to capital and financial education in under-served communities.” CFED has accomplished this through entrepreneurship, IDAs, Children’s Savings Accounts, and other asset-building tools. Since 1991, CFED has been a leader in the growth of IDAs, as a tool, practice and policy in the United States and supported the field through research, policy, national demonstrations, convenings, and training and technical assistance.

“CFED believes this initiative is a major step toward helping Native communities build and sustain their assets, said CFED President Andrea Levere. “We are delighted that we can draw on our extensive experience with IDAs and similar accounts to address this critical need.”

To broaden its significant experience in IDA field development to Native communities, CFED is partnering with FNDI and Oweesta, affiliated Native organizations with proven track records of promoting and assisting with wealth creation for Indigenous peoples and communities. Together, FNDI and Oweesta have over twenty-five years of experience in working in Native communities across the country and around the world, both leaders in the field of IDA development, Native asset development, financial education and the creation of Native community development financial institutions. “This team really brings together a unique combination of experiences and allows us to expand another aspect of Native asset building that complements the work of Oweesta and FNDI,” explained Oweesta Executive Director, Elsie Meeks. “The connection to the Native CDFIs and the work and support of the CDFI Fund makes this another strong step for Native communities to create a vibrant economic future.”

For more information about this Initiative, please contact: Vikki Frank from the CDFI Fund at (202) 622-8704 or [frankv@cdfi.treas.gov](mailto:frankv@cdfi.treas.gov); or Jennifer Malkin from CFED at (415) 495-2333 or [Jennifer@cfed.org](mailto:Jennifer@cfed.org). For more information on the Native asset building programs of FNDI and Oweesta contact Peter Morris from FNDI at (540) 371-5615 or [pmorris@firstnations.org](mailto:pmorris@firstnations.org) or Stewart Sarkozy-Banoczy from Oweesta at (605) 342-3770 or [ssarkozy@oweesta.org](mailto:ssarkozy@oweesta.org). Updates will also be periodically posted to the Fund’s website at: [www.cdfifund.gov](http://www.cdfifund.gov).

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